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COSTA RICA

PRESIDENT FIGUERES CRITICIZED FOR STAND ON DEFICIT, PERSONAL BUSINESS DEALS

[Editorial: "The Color of the Money"; San Jose, La Nacion, Spanish, 9 December 1972, p 14]

In a statement by the President, we read a heading that states: "A deficit of 500 million is manageable." We believe no such thing. In the first place, the deficit is a little larger than what Figueres says. In the second place, a budget with so large a deficit should not be submitted, especially after promises have been made to carry out in the future a policy of restricting public expenditure. We know full well that politicians' promises are carried off by the wind. But, when one is already in office, it is better to fulfill what is promised, even though only half-way, than to forget what has been promised, because the country does not forget, especially when it feels that the situation is getting worse every day.

Another statement by the President that seems to us inaccurate is that the inflation being undergone by Costa Rica is acceptable to some economists. In the first place, inflation is unacceptable on a large and on a small scale. It is tolerated and combated, when it cannot be helped and when it has been brought about by incompetency of governing authorities. And if there are some runaway economists who also believe that the inflation that is increasing at a dizzy rate in Costa Rica is "manageable," it must be because they have large personal incomes and do not feel affected by the little that our money is worth and the high price of all consumer goods, including medicines and necessities.

Dr Trejos Escalante seems to President Figueres to be "a good person." He does to us too. Just as we agree that the voting in the convention was low, which means nothing against the opposition, unless it is a silent message that the opposition must unite as soon as possible and fight against the party in office face to face.

The only difference that there is between our thinking and Figueres' thinking is that we, like any citizen, can say what we think of candidates, precandidates, and parties. And the President of the Republic is strictly prohibited from doing this. A difference that is fundamental, in our opinion. For him, it has no importance, because he respects the laws and the

Constitution as long as they do not hinder him. When they get in his way, he calmly rides over them, apparently without thinking about what would happen in Costa Rica if all us citizens should decide not to respect the laws that govern us.

When the teachers went out on strike, President Figueres went on television and said that some leaders held ill will against Lalo Gamez.

When the employees of the Social Security Fund paralyzed the hospitals of that institution, President Figueres went on television and said that the movement was inspired by political motives.

When the physicians went on strike, President Figueres censured them severely, saying that the strike stemmed from the political feelings of a small group of leaders.

Therefore, it was perfectly natural, within the logic with which Figueres reasons, for the Chief Executive to attribute the accusations against Robert L. Vesco, in which one of his businesses is involved, to Wall Street's dislike for him.

According to Figueres, it is a question of a kind of unconscious vengeance that they are taking against him because of his struggles in behalf of good prices for coffee and the international distribution of wealth.

Nevertheless, it would be extremely curious if all this were a campaign devised with a spirit of revenge by many world newspapers and periodicals. Although this proves to be a bit unlikely, it might be said that the Wall Street Journal, as its name indicates, represents the most characteristically reactionary interests and that it is harassing Figueres for his ideas. But when the same reports appear in the magazine Time and in the newspaper New York Times, in the United States, which usually refer to Figueres in terms of praise, or in the Economist, in England, and in Der Spiegel, in Germany, the idea of a conspiracy begins to lose ground.

In his television speech on the night of Monday, 4 December, Figueres took importance away from the complaint by the United States Federal Securities and Exchange Commission against Robert L. Vesco. He said, first of all, that it was a civil, and not criminal, action, and then that the case is not with him or with Costa Rica. The matter "is in no way incumbent on us."

Nevertheless, his whole speech and the reports published by the above-mentioned newspapers and periodicals tend to prove the contrary.

In the case of Vesco, it is true that it is a question of a civil suit. However, the charges made against him, whether or not they are true, speak of looting the funds of various business enterprises and the word fraud is used constantly. Time, in turn, in an article reproduced by us yesterday, starts by quoting in the heading a statement by the Federal Securities and Exchange Commission according to which it is a question of "one of the biggest frauds."

The magazine concludes its report by assuring that if the commission proves its charges before the civil courts, it will have turned over to the office of the Attorney General a "criminal case all prepared." Undoubtedly, as Time says, if the accusations turn out to be true, some reputations will probably be "clouded."

We should not want this to happen in our country: for persons whom the courts may find guilty of illegal acts to come to seek refuge here, and, as a consequence of that, for the most respectable periodicals and newspapers in the world to write articles so loaded with irony concerning our country, like the article in Der Spiegel in which McAlpin's relations with Costa Rican public officials are subjected to scrutiny.

The matter is indeed incumbent on us and cannot be belittled as if it were a question of mere animosity of a capitalist newspaper against a Latin American leftist politician. But that is not all.

According to Figueres, McAlpin has invested in Costa Rica in enterprises belonging to businessmen of different political affiliation. This seems to be true. According to a story in the Wall Street Journal, which Figueres does not contradict, Capital Growth Fund, McAlpin's company, invested over 2 million dollars in his own company. It is not known whether these are the same 2 million dollars stated by the United States Securities and Exchange Commission to have been invested by a Vesco company (International Investment Trust) in the same Costa Rican enterprise, or whether two companies invested 2 million dollars, each one separately, in the same activity. This is not clear from Figueres' explanation, and we would not raise the question if it were not because the Chief of State himself took the liberty of talking about his personal matters in his television speech. The point is interesting, because up to now the relation between Vesco, accused by the American authorities, and McAlpin, who is being investigated by German auditors according to Der Spiegel, has not been known exactly. At any rate, what should be of concern to Costa Ricans is the President's business activity and the fact that his name, as Chief Executive, has to be mentioned in connection with persons or companies like the ones referred to by New York, London, and Hamburg newspapers and periodicals. In this, we differ somewhat from the editorial opinion of La Prensa Libre. The President's business affairs are certainly not of his exclusive jurisdiction and competence. As Costa Ricans, we do not like to have the name of Costa Rica brought up in publications that talk about "shelters for investors," about how Vesco is being sued by an institution of the United States Government, or about how McAlpin may be sued by German private investors.

There is another cause for concern, in the President's speech. He confirms the fact that Vesco has invested large sums of money in our country, including government bonds. When bonds whose redemption date is near or that have an agreement for repurchase on demand are sold, obviously there is no interest in long-term investments but rather in investments that are speculative in nature. Those funds seek liquidity and not to be tied for an indefinite or very long term to a specific investment. If Vesco loses the civil suit and he is prosecuted criminally, we shall have

to be prepared to redeem those bonds or to comply with the agreement. The government will have to provide the funds and the Central Bank the foreign exchange to convert the funds into dollars. This is a situation that we should not like to come up, but that may come up, obviously, when money concerning which there is litigation is involved.

Costa Rica cannot actually become an international policeman for investors. The policeman function, however, should be scrupulously carried out when funds are invested in search of easy, high, quick profit in government bonds or in activities of public officials who have grave responsibilities on their shoulders.

Because, and in this we differ from Figueres, the honor of a country is intimately associated with the color of the money that it receives.

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